

EXECUTIVE OVERVIEW

Survey of Restaurants and Bars/Taverns

Conducted for the National Licensed Beverage Association
by Roper, Starch, Worldwide

A proposed federal government regulation, requiring that all areas where people work be smoke-free, would mean that restaurants, bars and taverns could no longer permit customer smoking. For a large majority of restaurants, and nearly all bars and taverns, this would require a change from their current customer smoking policies -- one that the owners and managers of these establishments believe will be detrimental to their businesses.

Beliefs About Consequences of Proposed OSHA Regulations

Owners and managers of restaurants, bars, and taverns expect the proposed regulations to have a significant effect on their businesses. They expect their customers who smoke to come less often and to spend less when they do, and they don't expect this lost business to be made up by non-smokers. Bars and taverns expect significantly more harm to their businesses resulting from a ban on smoking than do restaurants.

- Most owners and managers of restaurants that are not currently smoke-free believe that, as a result of the new rules, smoking customers would come less often, and half believe that these smokers would, during a typical visit, spend less.
- Owners and managers of bars and taverns are considerably more troubled by the proposed rules, with more than four out of five believing that their smoking customers would come less often and that they would spend less money when they did come.
- Most owners and managers expect that requiring all restaurants, bars and taverns to be smoke-free would have little effect on the frequency of non-smokers' visits or on the amount spent when non-smokers do come. Owners and managers in only one out of five restaurants that are not currently smoke-free, and fewer than one out of ten of such bars, believe that non-smokers would visit more often. Twice as many bar owners and managers believe non-smokers would come less often as believe they would come more often, and three times as many of these owners and managers expect non-smokers to spend less money during a typical visit as expect them to spend more.
- If smoking were banned in all establishments, nearly half of managers and owners of restaurants that currently allow smoking in at least part of their restaurants believe that their revenues would decrease, and three out of ten believe they would need to

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lay off employees as a result. A substantial majority of those who believe their revenues would suffer predict a loss greater than ten percent of their current revenues.

- Owners and managers of bars and taverns where smoking is currently permitted in at least some areas are even more pessimistic, with 83 percent expecting lower revenues to result from such a ban on smoking and more than half predicting employee layoffs as well. More than four out of five of those who would expect revenue decreases estimate that the decrease would be more than fifteen percent of current revenue.
- Very few believe that their revenues would increase as a result of making all establishments virtually smoke-free. Owners and managers of restaurants that are already smoke-free are the most likely to expect such a positive outcome – Eleven percent of these owners and managers believe that the change in policy would result in increased revenues for them, compared with only four percent of restaurants that currently allow smoking in at least part of their establishment.

Current Customer Smoking Policies

Currently, most restaurants and nearly all bars may decide for themselves whether and where to permit customer smoking. Most restaurants do restrict smoking, whether by choice or because of state or local requirements, and those that are large enough to do so usually provide separate smoking and non-smoking areas, rather than banning customer smoking entirely. In bars and taverns, smoking is rarely restricted and almost never banned entirely.

- Across the country, seven out of ten restaurants, and nearly all bars and taverns, currently permit smoking in at least part of their establishments.
- Fewer than three out of ten restaurants, and only five percent of bars and taverns report having smoking policies required by state or local governments.
- Nearly half of all restaurants choose to implement customer smoking policies themselves, either providing separate smoking and non-smoking areas, or banning customer smoking throughout the restaurants.
- For bars and taverns, customer smoking restrictions are still very uncommon. Nearly nine out of ten bars and taverns permit customers smoking throughout the establishment. Policies for those who have restrictions, nearly always include smoking and non-smoking areas.
- When given a choice, restaurant owners and managers usually choose to provide separate smoking and non-smoking areas to accommodate both their smoking and non-smoking customers, rather than banning smoking entirely. Among restaurants

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whose smoking policies are self-imposed, two-thirds choose to provide separate smoking and non-smoking areas.

- For smaller restaurants, separate smoking areas are usually not an option and the choice is either to permit smoking throughout the restaurant or to ban it entirely. For the largest restaurants (those with seating for 130 or more diners), nearly nine out of ten of those with self-imposed smoking policies choose to provide smoking and non-smoking sections, rather than to be entirely smoke-free.
- State and local government-imposed policies are more likely than self-imposed ones to permit no smoking at all. Forty-five percent of the government-imposed policies are smoke-free compared with one-third of self-imposed policies.
- Smaller restaurants are more likely than larger ones to permit smoking throughout the restaurant. In part, this is because state and local government rules about smoking policies in restaurants often exempt smaller establishments. But it is also because, among those not required by law to restrict smoking, fewer small restaurants choose to do so. Their inability to provide separate areas for smokers and non-smokers necessitates a more difficult choice – either to permit smoking throughout the restaurant or to be completely smoke-free.
- In two-thirds of restaurants that provide separate smoking and non-smoking areas, at least half of the seating is smoke-free. In bars and taverns, non-smoking areas are smaller – for about half of those who provide non-smoking areas, less than half of the seating is in smoke-free sections.

Current Employee Smoking Policies

Restaurants also differ significantly from bars and taverns in their employee smoking policies.

- Only 12 percent of restaurants have no policy restricting when or where employees may smoke, and for many of these, policies have not been instituted because all employees are non-smokers. Most bars and taverns (62 percent) have no restrictions at all on employees' smoking.
- In restaurants, employee smoking restrictions are almost evenly divided between those that prohibit employees from smoking anywhere inside the restaurant and those that allow employees to smoke in some part(s) of the restaurant.
- In bars and taverns, employee smoking policies are much less restrictive than in restaurants. Such policies are five times as likely to permit employees to smoke in some areas inside the bar or tavern as they are to prohibit them entirely from doing so.

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Customer and Employee Acceptance of Smoking Policies

Owners and managers of restaurants, bars, and taverns report a high degree of customer and employee acceptance of current smoking policies in these establishments.

- More than nine out of ten owners and managers of restaurants, bars, and taverns say customers have accepted the policies at least fairly well with 81 percent of bar owners/managers and 70 percent of restaurant owners/managers responding "very well."
- Customers of bars and taverns, where there are few restrictions on smoking, are reported to be even more accepting of current policies than restaurant customers. Customers in eight-in-ten bars and taverns are said to accept the smoking policies "very well", compared with customers in seven-in-ten restaurants.
- Employees in these establishments are reported to accept current smoking policies about equally well.

Attitudes Towards Government Regulation of Smoking

- Overwhelming majorities of owners and managers of restaurants, bars, and taverns believe that rules governing smoking in their establishments should be made by the establishments themselves – not by local, state, or federal governments.
- Nearly three-quarters of owners and managers of restaurants, and two-thirds of bar and tavern owners and managers, believe that they could accommodate, with no undue problems, the desires of both their smoking and non-smoking customers without government regulation.
- When asked which of three statements best reflected their own opinions about smoking policies, more than half of restaurant owners and managers, and nearly nine-in-ten owners and managers of bars and taverns, say they feel that the issue of smoking or smoke-free establishments should be left completely to the discretion of the owners. About a quarter of restaurant owners and managers, and fewer than one-in-ten bar and tavern owners and managers, feel that rules requiring them to designate a portion of their premises as smoke-free would be fair and would accommodate all customers. Fewer than one out of five restaurant owners and managers, and only two percent of bar and tavern owner and managers say they believe that requiring all establishments to be virtually smoke-free is a sound approach to dealing with the issue of smoking in public places.

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About the Survey

The information reported in this Executive Summary was obtained through a nationwide telephone survey of owners or managers of 650 full-service restaurants and 650 bars and taverns. All interviewing was conducted, in September of 1996, from the Roper Starch central interviewing facility, located in New York City. Up to six calls were made to reach the owner/manager of an establishment. The samples of restaurants and bars/taverns were drawn in a statistically random manner from national lists provided by Survey Sampling, Inc., a major supplier of survey samples to survey research organizations. The survey results are projectable to the population of all such establishments with a maximum sampling error of plus or minus four percentage points for each sample of establishments.

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September 24, 1996

(Percentages based on full samples of 650 restaurants and 650 bars/taverns except where otherwise noted)

- Which approach do you favor for making the rules governing customer smoking in your establishment? (*Read responses*)

<u>Bars</u>	<u>Rest.</u>	
.91	.72	The rules regarding customer smoking should be made by the establishment itself.
.02	.08	The rules regarding customer smoking should be made by local government.
.02	.07	The rules regarding customer smoking should be made by state government.
.03	.06	The rules regarding customer smoking should be made by the federal government.
.02	.07	(<i>Don't read</i>) Don't know

- Specifically with respect to the smoking policy in your establishment, how well has it been accepted by your customers - very well, fairly well, not very well, or not at all well?

<u>Bars</u>	<u>Rest.</u>	
.81	.70	Very well
.12	.25	Fairly well
.01	.03	Not very well
.01	.01	Not at all well
.04	.02	Don't know

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- Again, with respect to the smoking policy in your establishment, how well has it been accepted by your employees - very well, fairly well, not very well, or not at all well?

<u>Bars</u>	<u>Rest.</u>	
.84	.74	Very well
.09	.18	Fairly well
.02	.04	Not very well
*	.01	Not at all well
.05	.03	Don't know

- *(If establishment is not completely smoke-free)* The federal government is considering implementing a rule that all rooms where people work be smoke-free. In other words, unless you could set aside special smoking rooms for your employees on break, or smoking rooms for customers where no employees could service customers, your establishment and all others like it would be virtually smoke-free.

If a new federal rule required all establishments to be virtually smoke-free, how do you think your customers who currently smoke would react in terms of the frequency with which they come to your establishment? Do you think...*(Read responses)*?

<u>Bars</u>	<u>Rest.</u>	
(Base) (640)	(463)	
.02	.01	They would come here more often.
.83	.58	They would come here less often.
.13	.37	They would come with the same frequency.
.02	.04	<i>(Don't read)</i> Don't know

- *(If customers who smoke would come less often)* By what percentage do you think your customers who smoke would decrease the frequency with which they come to your establishment? *(Read responses.)*

<u>Bars</u>	<u>Rest.</u>	
(Base) (530)	(268)	
.02	.05	Less than 5%
.02	.09	5% to 7%
.02	.13	8% to 10%
.91	.69	Over 10%
.03	.04	<i>(Don't read)</i> Don't know

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- *(If establishment is not completely smoke-free)* Do you think making all establishments virtually smoke-free would reduce or increase the amount of money your customers who smoke would spend in your establishment during a typical visit, or don't you think there would be any significant change in the amount of money spent?

	<u>Bars</u>	<u>Rest.</u>	
(Base)	(640)	(463)	
	.84	.50	Would spend less money
	.03	.04	Would spend more money
	.12	.41	No change in money spent
	.02	.04	Don't know

- *(If establishment is not completely smoke-free)* If all establishments were required to be virtually smoke-free, how do you think your customers who do not smoke would react in terms of the frequency with which they come to your establishment? Do you think - *(Read responses)*?

	<u>Bars</u>	<u>Rest.</u>	
(Base)	(640)	(463)	
	.08	.19	They would come more often
	.16	.06	They would come less often
	.72	.72	They would come with about the same frequency
	.04	.03	<i>(Don't read)</i> Don't know

- *(If establishment is not completely smoke-free)* Do you think making all establishments virtually smoke-free would reduce or increase the amount of money your customers who do not smoke would spend in your establishment during a typical visit, or don't you think there would be any significant change in the amount of money spent?

	<u>Bars</u>	<u>Rest.</u>	
(Base)	(640)	(463)	
	.22	.07	Would spend less money
	.07	.09	Would spend more money
	.69	.81	No change in money spent
	.03	.03	Don't know

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- Considering both customers who smoke and those who do not smoke, how do you think making all establishments virtually smoke-free would affect your establishment's overall revenue? Do you think this would result, overall, in higher revenues, lower revenues, or no significant change?

<u>Bars</u>	<u>Rest.</u>	
.02	.06	Higher revenues
.83	.39	Lower revenues
.13	.51	No significant change
.02	.04	Don't know

- (If making all establishments smoke-free would result in lower revenues). On an annual basis, by what percentage do you think your revenues would decrease? (Read responses)*

<u>Bars</u>	<u>Rest.</u>	
(Base) (539)	(254)	
.01	.08	Less than 5%
.09	.28	5% to 10%
.07	.14	11% to 15%
.81	.44	Over 15%
.03	.06	(Don't read) Don't know

- (If making establishments smoke-free would result in lower revenues). If your revenues were to decrease, how many employees, if any, do you realistically think you would have to lay off?*

<u>Bars</u>	<u>Rest.</u>	
(Base) (539)	(254)	
.22	.28	None
.28	.26	1 or 2
.22	.14	3 or 4
.12	.09	5 to 9
.04	.12	10 or more
.12	.10	Don't know

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- Which of these three statements is closest to your opinion of laws that require all establishments like yours to be smoke-free? (*Read responses*)

<u>Bars</u>	<u>Rest.</u>	
.88	.56	The issue of smoking or smoke-free establishments should be left completely to the discretion or judgment of the owners.
		or
.08	.23	Rules requiring that establishments like mine designate a portion of the premises as a smoke-free are fair and would accommodate all customers.
		or
.02	.17	Requiring all establishments to be virtually smoke-free is a sound approach to dealing with the issue of smoking in public places.
.02	.05	(<i>Don't read</i>) Don't know

(The above are a number of representative questions, full studies are available to the press upon request)

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